

**§17200 REFORM MEASURE APPROVED AT
SPECIAL COMMITTEE HEARING**

Recently-created legislation ([AB 95](#)) by committee chair [Ellen Corbett](#) (D-San Leandro) to reform the state's Unfair Competition Law (B&P §17200 et seq.) was approved by the Assembly Judiciary Committee at a contentious Thursday hearing. The special hearing became necessary when Assembly Republicans refused to grant a waiver to permit the bills to be heard after the May 9 deadline for policy committees to hear same-house legislation.

Corbett's bill would require persons bringing private actions under the UCL to alert defendants of their legal rights under the law and clarify conditions under which defendants can be joined.

AB 95 is packaged with similar legislation, [SB 122](#), authored by Senate Judiciary Committee Chair [Martha Escutia](#) (D-Whittier), which is scheduled for hearing before that committee next Tuesday, May 13. SB 122 would require court review of attorneys fees in any settlements under such suits (or resulting from a pre-filing demand letter), and would make disgorgement an appropriate remedy in UCL cases.

AB 95 and SB 122 contain contingent enactment clauses, requiring both bills to be signed into law for either to take effect. AB 95 also was amended at Thursday's hearing to include a non-severability clause, meaning that if any provision of either bill is invalidated by court ruling (or possibly referendum), none of the provisions of the bill (and likely both bills) would be effective.

The same hearing also saw the Judiciary Committee reject a number of other bills aimed at making major changes in the UCL, including [AB 69](#) by Assem. [Lou Correa](#) (D-Santa Ana) and a pair of Republican-authored bills: [AB 102](#) by Assem. [Robert Pacheco](#) (Walnut) and [AB 599](#) by Assem. [Bob Dutton](#) (Rancho Cucamonga). Correa asked for and received reconsideration of his measure.

**STATE BAR FEE BILL CLEARS ASSEMBLY
JUDICIARY COMMITTEE**

The State Bar's Fee Bill, [AB 1708](#) (Assembly Judiciary Committee), was approved by that committee yesterday (Tuesday, May 6, 2003) on a unanimous 14-0 vote. The bill now goes to the Assembly Floor.

The vote was the first unanimous vote on a State Bar Fee Bill in an Assembly committee since 1995, and the first in over 20 years where a unanimous legislative vote was based upon the State Bar's actual performance, not contingent upon the Bar subjecting itself to a plebiscite of its membership (1995) or the overhaul of its entire disciplinary system (1990).

AB 1708 would extend for one year (2004) the State Bar's authority to assess the state's attorneys a \$310 general membership fee, the largest part of the \$390 in annual fees the Bar needs to fund its operations.

The bill also would strengthen the State Bar's ability to recoup disciplinary costs and Client Security Fund payments from lawyers engaged in misconduct, and makes a number of cleanup and corrective changes to the State Bar Act, including deleting all references to the former State Bar Conference of Delegates and replacing them with references to the new, completely independent [Conference of Delegates of California Bar Associations](#).

STATE BUDGET REVISION

Governor Davis is scheduled to release his "May Revision to the State Budget" on Wednesday, May 14. The document, commonly referred to around the Capitol as the "May Revise," is, in fact, a series of modifications to the budget the governor released back in January.

The purpose of the revision is to bring a newly updated budget proposal into balance by taking into consideration new estimates relating to revenues and expenditures. Revenue estimates are updated to take into account actual receipts to the General Fund through April. Expenditures estimates are updated to reflect anticipated changes in caseloads for various services -- e.g., health care and social welfare.

The budget subcommittees will review the revisions and take appropriate action to bring their prior or pending actions into conformity.

Early word has it that revenue estimates will be a little higher than originally anticipated by the administration. Apparently, however, the enhanced revenues will be offset by higher than anticipated expenditures.